

Message Text

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11
ORIGIN EB-07

INFO OCT-01 EUR-12 NEA-10 IO-13 ISO-00 SS-15 AID-05 AGR-05

AGRE-00 COME-00 TRSE-00 OMB-01 CIAE-00 INR-07 NSAE-00

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DRAFTED BY EB/IFD/ODF:JABWINDER:SMCP

APPROVED BY S:HAKISSINGER

AID:CGULICK

IO:DDAUGHERTY

NEA:DMORRISON

EB:PHBOEKER

S/S:RGAMBLE

NEA:SSOBER (SUBS)

A/AID:DPARKER

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R 100103Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT

INFO AMEMBASSY JIDDA

AMEMBASSY ROME

AMEMBASSY TEHRAN

USMISSION USUN NEW YORK

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E.O. 11652: N/A

TAGS: EAID, EFIN, EAGR

SUBJECT: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

EMBASSY SHOULD DELIVER FOLLOWING LETTER TO THE SHAIKH FROM
THE SECRETARY. LETTER SHOULD BE ADDRESSED TO

HIS HIGHNESS

SHAIKH JABER AL-AHMAD AL-JABER AL SABAH,

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-- PRIME MINISTER OF KUWAIT.

FOLLOWING IS TEXT OF THE LETTER:

QUOTE YOUR HIGHNESS,

I AM WRITING TO YOU REGARDING THE CURRENT STATE OF NEGOTIATIONS IN SETTING UP THE PROPOSED INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD). I AM SURE THAT YOU SHARE MY VIEW THAT THIS INSTITUTION SHOULD BECOME OPERATIVE AS SOON AS POSSIBLE SO THAT IT CAN BEGIN ITS IMPORTANT WORK.

THE UNITED STATES HAS STRONGLY SUPPORTED IFAD SINCE IT WAS PROPOSED BY A NUMBER OF OPEC COUNTRIES AT THE WORLD FOOD CONFERENCE IN 1974. WE HAVE VIEWED IFAD NOT ONLY AS

A VEHICLE TO IMPROVE AGRICULTURAL PRODUCTION IN DEVELOPING NATIONS BUT ALSO AS A UNIQUE OPPORTUNITY FOR A JOINT COOPERATIVE EFFORT BY OPEC AND OECD COUNTRIES.

AS YOU ARE UNDOUBTEDLY AWARE, PLEDGES REMAIN APPROXIMATELY \$65 MILLION SHORT OF THE \$1 BILLION TARGET NEEDED TO OPEN THE AGREEMENT FOR SIGNATURE. IT WOULD BE TRAGIC IF IFAD WERE TO FAIL OVER SUCH A SMALL AMOUNT.

I WAS DISAPPOINTED TO NOTE THAT THE OPEC FINANCE MINISTERS AT THEIR RECENT ANNUAL MEETING IN VIENNA REITERATED THEIR POSITION THAT THE CONTRIBUTION OF \$400 MILLION FROM THE OPEC SPECIAL FUND WAS CONTINGENT UPON A CONTRIBUTION OF AT LEAST \$600 MILLION FROM OECD COUNTRIES. AS YOU KNOW OUR CONGRESS HAS MADE THE UNITED STATES CONTRIBUTION OF \$200 MILLION CONTINGENT ON ROUGHLY EQUAL CONTRIBUTIONS FROM OECD MEMBERS AND OPEC COUNTRIES. CONSEQUENTLY WE NOW APPEAR TO BE AT AN IMPASSE WHICH THREATENS THE SUCCESS OF THIS EXTREMELY IMPORTANT INITIATIVE.

IT IS CLEAR TO ME THAT AN ACT OF STATESMANSHIP ON BOTH OUR PARTS WILL BE REQUIRED IF WE ARE TO BREAK OUT OF THIS IMPASSE. THE TOTAL LEVEL OF OECD COUNTRY CONTRIBUTIONS NOW EXCEEDS \$530 MILLION. WHILE I REALIZE THAT LIMITED OFFICIAL USE

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YOU MAY BE RELUCTANT TO SEE THE TOTAL LEVEL OF OPEC COUNTRY CONTRIBUTIONS EXACTLY MATCH THE OECD LEVEL, AN ADDITIONAL DIRECT BILATERAL CONTRIBUTION FROM ONE OR MORE LEADING OPEC COUNTRIES TOTALING \$50 TO \$70 MILLION WOULD BE A MAJOR STEP FORWARD IN REACHING A SUCCESSFUL CONCLUSION TO OUR JOINT EFFORTS. SUCH A STEP WOULD BE ESPECIALLY APPROPRIATE IN VIEW OF THE ORIGINS OF THE FUND, THE BACKGROUND OF THE AGREEMENT, THE VOTING STRUCTURE,

AND THE DESIRE OF OPEC COUNTRIES TO PUT FORWARD A CANDI-
DATE FOR THE PRESIDENCY OF IFAD.

WERE YOU IN A POSITION TO TAKE SUCH A STEP AND TO
PERSUADE ONE OR TWO OF YOUR COLLEAGUES TO JOIN YOU, I FOR
MY PART WOULD MAKE EVERY EFFORT TO PERSUADE THE UNITED
STATES CONGRESS THAT THE RESULTING OPEC CONTRIBUTIONS
ACHIEVE ROUGH PARITY WITH THE LEVEL OF SUPPORT FROM
DEVELOPED COUNTRIES. THIS WOULD ALLOW US TO GO AHEAD
WITH THE FULL \$200 MILLION U.S. CONTRIBUTION RATHER THAN
CUTTING IT BACK TO A LEVEL OF 40 PERCENT OF THE TOTAL
OPEC CONTRIBUTIONS. SUCH A STATESMANLIKE SOLUTION WOULD
ALSO AVOID THE POSSIBLE NEED FOR A REVISION IN THE FUND'S
VOTING STRUCTURE TO REFLECT THE DISPARITY BETWEEN TOTAL
OECD AND OPEC CONTRIBUTIONS. FURTHER I WOULD WELCOME THE
OPPORTUNITY TO SUPPORT A QUALIFIED CANDIDATE FROM AN OPEC
COUNTRY AS PRESIDENT OF IFAD.

I AM CONFIDENT THAT WITH THIS EXTRA EFFORT ON BOTH
OUR PARTS, WE CAN BRING THIS IMPORTANT INITIATIVE TO
EARLY FRUITION.

-- -- -- -- -- BEST REGARDS,

-- -- -- -- -- HENRY A. KISSINGER

UNQUOTE. KISSINGER

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Message Attributes

Automatic Decaptioning: X
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Margaret P. Grafeld
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TAGS: EAID, EFIN, EAGR, IFAD
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